



STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES
& ENVIRONMENTAL CONTROL
DIVISION OF AIR & WASTE MANAGEMENT
156 S. STATE STREET
DOVER, DELAWARE 19901

AIR QUALITY MANAGEMENT
SECTION

TELEPHONE: (302) 739 - 9402
FAX No.: (302) 739 - 3106

May 28, 2008

Section Chief
Permit Program Section (3AP11)
United States Environmental Protection Agency
1650 Arch Street
Philadelphia, PA 19103

ATTENTION: David Campbell

SUBJECT: **Final 40 CFR Part 97 CAIR Permit**

Dear Mr. Campbell:

As specified in the Memorandum of Understanding between EPA, Region III and the DNREC, attached is the "Final" CAIR Permit for **The Premcor Refining Group, Inc.** located in Delaware City, Delaware.

Any questions concerning the attached permit may be directed to me or Bruce Steltzer at 302-323-4542.

Sincerely,

for
Ravi Rangan, P.E.
Engineer VI
Engineering & Compliance Branch

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pc: Dover File
Bruce Steltzer

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Division Director (3AP00)

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& ENVIRONMENTAL CONTROL
DIVISION OF AIR & WASTE MANAGEMENT

AIR QUALITY MANAGEMENT
SECTION

156 S. STATE STREET
DOVER, DELAWARE 19901

TELEPHONE: (302) 739 - 9402
FAX No.: (302) 739 - 3106

May 27, 2008

The Premcor Refining Group, Inc.
4550 Wrangle Hill Road
Delaware City, Delaware 19706

Attention: Heather Chelpaty
Environmental Manager

Subject: Permit: AQM-003/00016-CAIR

Dear Ms. Chelpaty;

The Department has completed processing The Premcor Refining Group, Inc.'s (Premcor) Delaware City Refinery August 27, 2007 CAIR Permit Application that was submitted to the Department pursuant to 40 CFR Part 97 and Regulation No. 30 of the State of Delaware "**Regulations Governing the Control of Air Pollution.**" The application indicated that the Premcor's Boiler No. 4, a 737 MMBtu/hour boiler, is an affected source subject to 40 CFR Part 97. Enclosed is a CAIR Operating Permit.

The attached permit specifies the terms and conditions under which Premcor will be permitted to operate Boiler No. 4.

The attached permit covers only the operating permit requirements of 40 CFR Part 97.

If you have any questions, please contact Ravi Rangan, P.E. or Bruce Steltzer at (302)323-4542.

Sincerely,

Paul E. Foster, P.E.
Program Manager
Engineering & Compliance Branch

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pc: Dover Title IV file
Ali Mirzakhali, P.E. (w/o attachments)
Ravi Rangan, P.E.
Bruce Steltzer

State of Delaware
Department of Natural Resources and Environmental Control
Division of Air and Waste Management
Air Quality Management Section

156 South State Street
Dover, DE 19901

Draft 40 CFR Part 97 CAIR Permit
Facility I.D. Number: 1000300016
Permit Number: AQM-003/00016-CAIR

Effective Date: May 27, 2008 Expiration Date: May 26, 2013


Pursuant to 7 Del. C., Chapter 60, Section 6003 and the State of Delaware "**Regulations Governing the Control of Air Pollution**," Regulation No. 1102, Section 2, Regulation No. 30, Section 7(e)(3), and 40 CFR Part 97 approval by the Department of Natural Resources and Environmental Control ("Department") is hereby granted to operate Unit No. 4 subject to the terms and conditions of this permit.

This approval is granted to:

| Permittee (hereafter referred to as "Company") | Plant Site Location (hereafter referred to as "Facility") |
|---|--|
| The Premcor Refining Group, Inc. Delaware City Refinery 4550 Wrangle Hill Road Delaware City, Delaware 19706 | The Premcor Refining Group, Inc. Delaware City Refinery 4550 Wrangle Hill Road Delaware City, Delaware 19706 Designated Representative: Heather Chelpaty, Environmental Manager |

The nature of business of the Facility is Petroleum Refining. The Standard Industrial Classification code is 2911. The North American Industry Classification System code is 324110.

All terms and conditions of this permit are enforceable by the Department and by the U.S. Environmental Protection Agency ("EPA") as specifically designated in 40 CFR Part 97. The Standard Requirements listed in Step 3 of Premcor's August 27, 2007 CAIR Permit Application are incorporated by reference as conditions of this permit.



Ravi Rangan, P.E.
Engineer
Engineering & Compliance Branch
(302) 739-9402

05/27/08

Date



Paul E. Foster, P.E.
Program Manager
Engineering & Compliance Branch
(302) 323-4542

5/27/08

Date

Statement of Basis

In accordance with **7 Del. C.** Chapter 60, Regulation No. 1102, and Regulation No. 30, the State of Delaware Department of Natural Resources and Environmental Control issues this Permit pursuant to **Regulation No. 30 and 40 CFR Part 97.**

Offices processing issuance of this Permit are as follows:

| | |
|---|--|
| State of Delaware - DNREC Division of Air & Waste Management Air Quality Management Section 156 South State Street Dover, Delaware 19901 Attn: Program Administrator Phone: (302) 739-9402 Fax: (302) 739-3106 | Section Chief Permit Program Section (3AP11) United States Environmental Protection Agency 1650 Arch Street Philadelphia, Pennsylvania 19103-2100 Phone: (215) 814-2111 Fax: (215) 814-2101 |
|---|--|

CAIR Applicable (40CFR Part 97.4) Units and Programs

| Unit ID# | NO _x Annual (40 CFR Part 97.104) | SO ₂ (40 CFR Part 97.204) | NO _x Ozone Season (40 CFR Part 97.304) |
|----------------------|--|---|--|
| DCPP4 (Boiler No. 4) | Yes | Yes | Yes |

CAIR Permit Application

(for sources subject to CAIR FIP)

Page 1

For more information, refer to 40 CFR 97.121, 97.122, 97.221, 97.222, 97.321, and 97.322

This submission is: ☒ New ☐ Revised

STEP 1
Identify the source
by plant name,
State, and ORIS or
facility code

| | | |
|---------------------------------|-------|--------------------|
| The Premcor Refining Group Inc. | DE | 52193 |
| Plant Name | State | ORIS/Facility Code |

STEP 2
Enter the unit ID# for
each CAIR unit and
indicate to which
CAIR programs each
unit is subject (by
placing an "X" in the
column)

| Unit ID# | NO _x Annual | SO ₂ | NO _x Ozone Season |
|------------------|------------------------|-----------------|------------------------------|
| DCPP4 (Boiler 4) | X | X | X |
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STEP 3
Read the standard
requirements and
the certification,
enter the name of
the CAIR designated
representative, and
sign and date

Standard Requirements

(a) Permit Requirements.

(1) The CAIR designated representative of each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) required to have a title V operating permit and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) required to have a title V operating permit at the source shall:

(i) Submit to the permitting authority a complete CAIR permit application under §97.122, §97.222, and §97.322 (as applicable) in accordance with the deadlines specified in §97.121, §97.221, and §97.321 (as applicable); and

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

(2) The owners and operators of each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) required to have a title V operating permit and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) required to have a title V operating permit at the source shall have a CAIR permit issued by the permitting authority under subpart CC, CCC, and CCCC (as applicable) of 40 CFR part 97 for the source and operate the source and the unit in compliance with such CAIR permit.

(3) Except as provided in subpart II, III, and IIII (as applicable) of 40 CFR part 97, the owners and operators of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) that is not otherwise required to have a title V operating permit and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) that is not otherwise required to have a title V operating permit are not required to submit a CAIR permit application, and to have a CAIR permit, under subpart CC, CCC, and CCCC (as applicable) of 40 CFR part 97 for such CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and such CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable).

The Premcor Refining Group Inc.
Plant Name (from Step 1)

**STEP 3,
continued****(b) Monitoring, reporting, and recordkeeping requirements.**

(1) The owners and operators, and the CAIR designated representative, of each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) at the source shall comply with the monitoring, reporting, and recordkeeping requirements of subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 97.

(2) The emissions measurements recorded and reported in accordance with subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 97 shall be used to determine compliance by each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) with the CAIR NO_x emissions limitation, CAIR SO₂ emissions limitation, and CAIR NO_x Ozone Season emissions limitation (as applicable) under paragraph (c) of §97.106, §97.206, and §97.306 (as applicable).

(c) Nitrogen oxides emissions requirements.

(1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO_x source and each CAIR NO_x unit at the source shall hold, in the source's compliance account, CAIR NO_x allowances available for compliance deductions for the control period under §97.154(a) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO_x units at the source, as determined in accordance with subpart HH of 40 CFR part 97.

(2) A CAIR NO_x unit shall be subject to the requirements under paragraph (c)(1) of §97.106 for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitor certification requirements under §97.170(b)(1), (2), or (5) and for each control period thereafter.

(3) A CAIR NO_x allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of §97.106, for a control period in a calendar year before the year for which the CAIR NO_x allowance was allocated.

(4) CAIR NO_x allowances shall be held in, deducted from, or transferred into or among CAIR NO_x Allowance Tracking System accounts in accordance with subparts EE, FF, GG, and II of 40 CFR part 97.

(5) A CAIR NO_x allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO_x Annual Trading Program. No provision of the CAIR NO_x Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under §97.105 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(6) A CAIR NO_x allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart EE, FF, GG, or II of 40 CFR part 97, every allocation, transfer, or deduction of a CAIR NO_x allowance to or from a CAIR NO_x source's compliance account is incorporated automatically in any CAIR permit of the source that includes the CAIR NO_x unit.

Sulfur dioxide emission requirements.

(1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO₂ source and each CAIR SO₂ unit at the source shall hold, in the source's compliance account, a tonnage equivalent of CAIR SO₂ allowances available for compliance deductions for the control period under §97.254(a) and (b) not less than the tons of total sulfur dioxide emissions for the control period from all CAIR SO₂ units at the source, as determined in accordance with subpart HHH of 40 CFR part 97.

(2) A CAIR SO₂ unit shall be subject to the requirements under paragraph (c)(1) of §97.206 for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit's monitor certification requirements under §97.270(b)(1), (2), or (5) and for each control period thereafter.

(3) A CAIR SO₂ allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of §97.206, for a control period in a calendar year before the year for which the CAIR SO₂ allowance was allocated.

(4) CAIR SO₂ allowances shall be held in, deducted from, or transferred into or among CAIR SO₂ Allowance Tracking System accounts in accordance with subparts FFF, GGG, and III of 40 CFR part 97.

(5) A CAIR SO₂ allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO₂ Trading Program. No provision of the CAIR SO₂ Trading Program, the CAIR permit application, the CAIR permit, or an exemption under §97.205 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(6) A CAIR SO₂ allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart FFF, GGG, or III of 40 CFR part 97, every allocation, transfer, or deduction of a CAIR SO₂ allowance to or from a CAIR SO₂ source's compliance account is incorporated automatically in any CAIR permit of the source that includes the CAIR SO₂ unit.

Nitrogen oxides ozone season emissions requirements.

(1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source shall hold, in the source's compliance account, CAIR NO_x Ozone Season allowances available for compliance deductions for the control period under §97.354(a) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO_x Ozone Season units at the source, as determined in accordance with subpart HHHH of 40 CFR part 97.

(2) A CAIR NO_x Ozone Season unit shall be subject to the requirements under paragraph (c)(1) of §97.306 for the control period starting on the later of May 1, 2009 or the deadline for meeting the unit's monitor certification requirements under §97.370(b)(1), (2), (3) or (7) and for each control period thereafter.

(3) A CAIR NO_x Ozone Season allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of §97.306, for a control period in a calendar year before the year for which the CAIR NO_x Ozone Season allowance was allocated.

(4) CAIR NO_x Ozone Season allowances shall be held in, deducted from, or transferred into or among CAIR NO_x Ozone Season Allowance Tracking System accounts in accordance with subparts EEEE, FFFF, GGGG, and IIII of 40 CFR part 97.

(5) A CAIR NO_x Ozone Season allowance is a limited authorization to emit one ton of nitrogen oxides in accordance with the CAIR NO_x Ozone Season Trading Program. No provision of the CAIR NO_x Ozone Season Trading Program, the CAIR permit application, the CAIR permit, or an exemption under §97.305 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(6) A CAIR NO_x allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart EEEE, FFFF, GGGG, or IIII of 40 CFR part 97, every allocation, transfer, or deduction of a CAIR NO_x Ozone Season allowance to or from a CAIR NO_x Ozone Season source's compliance account is incorporated automatically in any CAIR permit of the source.

The Premcor Refining Group Inc.

Plant Name (from Step 1)

**STEP 3,
continued****(d) Excess emissions requirements.**

If a CAIR NO_x source emits nitrogen oxides during any control period in excess of the CAIR NO_x emissions limitation, then:

(1) The owners and operators of the source and each CAIR NO_x unit at the source shall surrender the CAIR NO_x allowances required for deduction under §97.154(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and

(2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

If a CAIR SO₂ source emits sulfur dioxide during any control period in excess of the CAIR SO₂ emissions limitation, then:

(1) The owners and operators of the source and each CAIR SO₂ unit at the source shall surrender the CAIR SO₂ allowances required for deduction under §97.254(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and

(2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

If a CAIR NO_x Ozone Season source emits nitrogen oxides during any control period in excess of the CAIR NO_x Ozone Season emissions limitation, then:

(1) The owners and operators of the source and each CAIR NO_x Ozone Season unit at the source shall surrender the CAIR NO_x Ozone Season allowances required for deduction under §97.354(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and

(2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

(e) Recordkeeping and Reporting Requirements.

(1) Unless otherwise provided, the owners and operators of the CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) at the source shall keep on file at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the Administrator.

(i) The certificate of representation under §97.113, §97.213, and §97.313 (as applicable) for the CAIR designated representative for the source and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under §97.113, §97.213, and §97.313 (as applicable) changing the CAIR designated representative.

(ii) All emissions monitoring information, in accordance with subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 97, provided that to the extent that subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 97 provides for a 3-year period for recordkeeping, the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable).

(iv) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable) or to demonstrate compliance with the requirements of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable).

(2) The CAIR designated representative of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) at the source shall submit the reports required under the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable) including those under subparts HH, HHH, and HHHH (as applicable) of 40 CFR part 97.

(f) Liability.

(1) Each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) and each NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) shall meet the requirements of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable).

(2) Any provision of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable) that applies to a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) or the CAIR designated representative of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) shall also apply to the owners and operators of such source and of the CAIR NO_x units, CAIR SO₂ units, and CAIR NO_x Ozone Season units (as applicable) at the source.

(3) Any provision of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable) that applies to a CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) or the CAIR designated representative of a CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) shall also apply to the owners and operators of such unit.


| | |
|--------------------------|---------------------------------|
| Plant Name (from Step 1) | The Pramcor Refining Group Inc. |
|--------------------------|---------------------------------|

CAIR Permit Application
Page 4**STEP 3,
continued****(g) Effect on Other Authorities.**

No provision of the CAIR NO_x Annual Trading Program, CAIR SO₂ Trading Program, and CAIR NO_x Ozone Season Trading Program (as applicable), a CAIR permit application, a CAIR permit, or an exemption under § 97.105, §97.205, and §97.305 (as applicable) shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x Ozone Season source (as applicable) or CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x Ozone Season unit (as applicable) from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.

Certification

I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

| | |
|--|--------------|
| Name Heather Chelpaty - Designated Representative | |
| Signature  | Date 8-27-07 |

MEMORANDUM

TO: Paul E. Foster, P.E. *PF*
FROM: Ravi Rangan, P.E. *RR*
Bruce Steltzer, P.E. *BS*
SUBJECT: **The Premcor Refining Group, Inc.**
40 CFR Part 97 CAIR Permit
Permit: AQM-003/00016-CAIR
DATE: May 27, 2008

BACKGROUND

The Company submitted a CAIR Permit Application dated August 27, 2007 for Boiler No. 4 which is an affected unit under the CAIR program and is located at the Delaware City Power Plant.

The draft permit was submitted to the Company and EPA November 2, 2007. Premcor submitted comments on the draft permit to the Department on December 3, 2007. The comments sought to correct typos and general clarifications. AQM has reviewed and evaluated all these comments and revised the permit accordingly. Premcor was the only party to submit comments and there was no request for a public hearing.

RECOMMENDATION

It is recommended that the attached CAIR permit be issued.

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pc: Dover Title V File
Bruce Steltzer

